



Case Study Majid Al Futtaim



Case Study

Majid Al Futtaim

Client since

2008

Travellers

500

Market

UAE

If you've been shopping in the UAE, chances are you've visited one of Majid Al Futtaim's incredible shopping centres.

Founded in 1992, Majid Al Futtaim Group (MAF) is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, and one of the UAE's most respected and successful businesses.

MAF owns and operates 21 shopping malls, 12 hotels and three mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes extraordinary retail spaces like Mall of the Emirates, City Centre malls, My City Centre neighbourhood centres and more.

In 2008 MAF issued a tender for its estimated AED 14 million corporate travel account. The decision to tender followed a company procurement review and subsequent program initiative to cost savings across a series of projects encompassing travel. The tender process concluded in December 2008 and FCM Travel Solutions was appointed as their TMC. This appointment provided MAF with further travel management consolidation across the company's operations in UAE, and since 2008 FCM has been successful in retaining the contract following two competitive RFPs issued by MAF.

In addition to the UAE, FCM and MAF have extended their relationship into five new countries across the Middle East and North Africa region and like your credit card after a shopping spree, the travel programme volume has almost tripled in size!

Approach

Defining focus areas

As part of a new travel management strategy, MAF had a number of goals it wanted to achieve as part of the consolidation process. FCM worked closely with the customer to streamline and improve a number of focus areas including:

- Policy compliance, following the introduction of an updated travel policy and authorization process.
- Consolidation of local management information which would enable effective negotiations with airlines and hotels across MAF.
- Business continuity and duty of care responsibilities using data accessed from traveller itinerary details.
- Ability to maximise savings through cross-border purchasing of airline tickets via FCM's 'Global Fare Finder' system and local office network.
- 24-hour global emergency assistance.

Challenges

"The FCM travel team goes the extra mile to solve any issues and are always willing to help and assist with all the queries. They are an example of excellent customer service."

EVILLA HERMOSA

As with any major implementation of this size and scope there were many challenges which the local FCM team had to overcome:

- MAF had limited visibility of their spend and had many business units, and each business unit had their own team to manage travel with multiple travel agents.
- LPOs were another major task - the previous agent used to issue tickets without LPOs and there was more than AED 1 million outstanding when FCM took over.
- Many MAF bookers/arrangers were resistant to change as they felt their job security may be threatened, however FCM made sure staff understood changes would be positive, making their job easier and creating efficiencies in the travel category.

Tailored change management

FCM utilised a tailored change management approach to drive consistent program architecture and deployment utilizing the client handbook for MAF. This included:

- Consistent implementation plan and regular meetings with MAF's procurement team.
- Training and Roadshows to meet travelers and travel bookers and drive compliance to using FCM as the preferred TMC for MAF.
- Enrollment of multiple airlines deals to drive savings.
- Implant of FCM employees on site at MAF location.
- FCM Reporting & Analytics (formerly FCM ClientBank Connect) implemented as single point of reporting platform across all countries.
- Implementation of an online booking tool and assisting MAF to automate internal processes within the travel program.
- Conducted global survey on November 2017 with most of the travelers and traveler arrangers to analyze our service satisfaction level.

Airline and hotel negotiation

MAF's air travel is mostly within the Gulf Cooperation Council (GCC). 32% of their travel is inbound UAE with 28% GCC, 21% Middle East and 19% of the travel to rest of the world. In 2009 MAF'S volumes were about AED 1.2 million and today it has doubled at a growth rate of 100%.

FCM has been able to successfully manage and control costs. The average ticket price (ATP) in 2009 was AED 2,946 and the current ATP is at AED 3,125, even after 9 years. This has been possible through heavily negotiated local deals with airlines and hotels on behalf of MAF.

Supporting sustainability programme

“The FCM travel team is always at their best and when I needed something quite urgent they were more than happy to send it at the earliest.”

RASHA ORABI

One of the key objectives for MAF was to build upon their sustainability programme within the organization.

Supporting our stakeholders and communities is a fundamental part of FCM Travel Solutions' Corporate Social Responsibility (CSR). In collaboration with MAF we have been able to guide them in this area of responsibility to ensure their policy is responsible from an operational perspective, in relation to the environment, and health and safety.

MAF is currently working to further reduce office-related emissions by adopting a number of new initiatives. In most of its individual countries of operation, MAF has established direct links with environmental groups to provide staff and suppliers with the option of offsetting emissions related to their personal and corporate travel.

Through FCM's ability to report on emissions, we are able to provide this visibility to the MAF Procurement team.

Results

FCM has been able to highlight key savings over the duration of the contract and there are also a number of key areas where we feel there is a great opportunity to generate further savings for MAF over the next three years, through our global and regional supplier relationship MAF. Results include:

-  Generated savings of over AED 2 million in 2016 by using different strategies to purchase air tickets and hotel bookings including creative ticketing, e-Global fares, preferred negotiated discounted rates, waivers and favors etc.
-  Monthly account management reporting to MAF key stakeholders to review and to have visibility on their spend.
-  Quarterly catch up with travel bookers helped us to share market knowledge and to listen to their challenges and address them.
-  Implementation of the online tool resulted in lower transaction fees for MAF and also the online adoption rate increased to over 30% in the starting few months.
-  FCM helped MAF to get better discounts from airlines ranging 10-12% by having jointly meetings with the airlines by our account manager who has deep knowledge of the MAF travel trends and requirements across the whole group.
-  FCM was able achieve a 95.6% satisfactory rating for MAF through a survey in November 2017 by our global team.